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1941/4C

BUSINESS STATISTICS - 24th April, 1941.

Bank liquidity is high and deposits have increased greatly in trading and savings banks, and trading banks advances have decreased. Employment continues to increase and in March was a record in factories due to expansion of war industries. Much new factory space is being provided.

Trading appears steady but somewhat modified in form. Private building, still considerable, has decreased compared with pre-war levels. There is much public building.

C O N T E N T S.

PART

I

Season: Excellent potato prospects.

Export Prices and External Conditions: Export prices steady. Britain to take more meat. Food exports and the Lend or Lease Act. Conditions in U.S.A. Canada-U.S.A. defence production agreement. Panama Canal works.

Currency Relations. Sixth acquisition of U.S. securities from British holders. Gold flow to the U.S.A. Free sterling-dollar rate affected by war news.

Wool: Conditions in U.K. Market in New York.

Wheat: Futures decline in Chicago. Local market quiet.

Butter: General shortage declared in N.S.W.

Metals: Tin and silver firm in London. Price of tin ingots raised in Australia.

II

Banking: Private business in trading banks, N.S.W. - Mar.Qr. 1941.

Wholesale Trade, N.S.W. Employment - March, 1941.

Sales under Sales Tax Acts - Jan.& Sept.-Jan., 1940-41.

Retail Trade: Employment N.S.W. - March, 1941. Activity in City Shops - Feb. and Sept.-Feb., 1940-41.

Savings Banks, N.S.W. Deposits and Interest Rates at 31st March, 1941. War Savings Certificates.

III

Employment, N.S.W. Persons employed in mid-March, 1941.

Manufacturing Industries: Employment, N.S.W. - mid-March, 1941. 42 Large Factories - Sales, etc. - Feb., 1941.

Gas and Electricity: Index of Consumption, Sydney - March, 1941.

Building Permits (Metropolis) Value and No. of Dwellings. - March & March Qr., 1941.

BUSINESS STATISTICS - 24th April, 1941.

PART I PRIMARY AND EXPORT INDUSTRIES.

SEASON: There were further showers on the South Coast in the last few days but more rain is needed there, in central sections of the coast and in parts of the southern portion of the wheat belt. Inland potato prospects are the best for years and 65,000 tons of tubers are expected to be dug. Average potato production in the State in the five years ended 1939-40 was 51,977 tons of which 38,334 or approximately 75 per cent. were from inland areas.

EXPORT PRICES AND EXTERNAL TRADE CONDITIONS.

The index number (Commonwealth Bank) of Australian export prices in March, 1941 was 82.7 (av. 1927 = 100) over 20 per cent. higher than in August, 1939. The export outlook is dominated by the shipping position (wool alone is paid for whether exported or not). Circumstances favour advantage being taken of the U.S.A. Lend or Lease Act which apparently will enable Britain to draw food supplies from America without payment during the war. However, it was announced this week that the British Government had agreed to restore meat purchases in Australia in the year ended Sept. 30, 1941 to 198,000 tons from the 144,000 tons to which they were reduced in Jan., 1941. This will greatly modify Australian difficulties, particularly in regard to pig meat.

The stock market in London has reacted only moderately to recent grave war news, but in New York industrial share prices have fallen to the lowest level of this year. Freezing of steel prices, industrial trouble in the coal industry and expectation of wage increases are given as other factors. There are to be no new American car models this year. This is taken to indicate concentration on war production. American railway traffic has increased greatly and industry is reported to be "flourishing". The United States is to spend \$22.4 m. in enlarging Panama Canal facilities, work on which is to commence within a month.

United States and Canadian Governments have agreed to integrate their defence production resources to facilitate mutual defence and aid to Britain. It is inferred that the U.S.A. will pay Canada for supplies while so much of the American material going to Canada for use in filling British orders will come under the "Lend or Lease" provisions, and this will result in conserving Canadian financial resources.

INTERNATIONAL CURRENCY RELATIONS.

On April 19, 1941 the sixth order acquiring United States securities by the British Government was made. This order includes 164 dollar stocks and bonds for which British holders will be paid (on June 3) the prices current in New York on the date of the order.

The bonds acquired are mainly in railways and utilities. According to a press report the dollar proceeds from the ultimate sale of these newly acquired securities are unlikely to be great.

The flow of gold to the United States continues. It was reported from Washington that on April 9, 1941 foreign gold held in the United States amounted to \$1,910 m. (£A.597 m.) The monetary gold stock of the United States on Feb. 26, 1941 was \$22,179 m. compared with \$16,646 m. in Aug., 1939 and \$20,913 m. in Aug., 1940.

The sterling-dollar exchange rate in the open market in New York was disturbed by British reverses in the Balkans and North Africa. From a mean of \$4.0325 to £stg. on April 9 the rate declined to \$4.0062 on April 19 but recovered to \$4.0225 on April 23. Open market dealings are small in volume but the movements afford some indication of the estimates of holders of sterling outside the British Government's control of the worth of British currency.

WOOL. Autumn shorn wool is now arriving in Sydney and will be appraised in May (12 to 19) and June (18 to 27) in which series about 75,000 bales are expected to be appraised.

In Britain, where raw wool for civilian consumption was until recently allocated at 35 per cent. of peace-time needs, the Wool Control has urged still further economy, and is expected to make a further cut in civilian allocations. Exhaustion of quotas for civilian purposes has rendered some spinning and weaving machinery idle, but Government orders and production for export is keeping the

PART I (Continued)

industry active. It is understood that the British Mission in South America has overcome some of the exchange difficulties hampering trade. If so, opportunities for the export of more British woollen manufactures to Latin America may be opened. British exports of woollen and worsted fabrics in 1940 are given in a trade report as 83.04 m. yds. compared with 93.49 m. yds. in 1939 and 90.53 m.yds. in 1938. Exports of tops and yarns have decreased greatly owing to loss of European markets.

In New York last week quotations for greasy wool declined following the general weakening of commodity markets, though trading was described as "rather active."

WHEAT. In reaction to war developments, and also to favourable weather in the United States wheat belts, wheat quotations (May options) in Chicago declined from 92 $\frac{3}{8}$ cents a bushel on April 5 to 89 $\frac{5}{8}$ cents a bus. on April 22. In Winnipeg May futures were a cent a bushel lower over the same period.

Warmer weather has been experienced in Western Europe and winter crops are expected to benefit. Production (1941) of wheat in India is forecasted at 389 million bushels.

Local trading has brightened intermittently with orders for wheat for export flour and for local produce use, but generally has been quiet. Some flour has been ordered for export. Prices are unchanged. The Australian Wheat Board's price for silo wheat for flour for local consumption is 3s.11 $\frac{1}{4}$ d. a bushel ex trucks, Sydney. The price of flour locally at wholesale is £12.13s. (including £2.8s.10d. tax) a ton.

PRICES OF WHEAT IN NEW SOUTH WALES.

	Seasons ended November.				March.		April 23, 1941.
	Av. 1931-35.	1937.	1939.	1940.	1940.	1941.	
<u>Bulk Wheat.</u>							
		Shillings and pence per bushel.					
Ex trucks, Sydney	2 9 $\frac{1}{2}$	5 3 $\frac{1}{2}$	2 5	...	3 9 $\frac{1}{2}$ (b)	3 11 $\frac{1}{4}$ (b)	3 11 $\frac{1}{4}$ (b)
Equiv. ex farm at country siding (a)	2 2 $\frac{1}{2}$	4 8	1 9 $\frac{1}{2}$	(c)	(c)	(d)	(d)

(a) Exclusive of bounty. (b) Prices for sale for local consumption.
(c) Farmers have received about 2s.10d. (net) for 1939-40 bulk wheat.
(d) Initial advance gives about 2s.5d.(net) at country siding.

Further advances on 1939-40 and 1940-41 wheat are expected.

BUTTER. The Equalisation Committee declared a general shortage of butter in New South Wales as from April 16, 1941 which means that butter may now be imported from other States. It is reported that there has been a decline in production on the North Coast (where production had previously been better maintained than elsewhere in the State). Although recent rainfall on the South Coast is unlikely to result in increased cream supplies in the near future, it will, if followed by further falls, assure satisfactory winter conditions for the dairy herds.

Because of the shortage of refrigerated cargo space the British Government has requested that as far as possible cheese be supplied in place of butter. Under the British contract prices paid are equivalent in Sydney to 137s.2d. a cwt. for choicest butter and 74s.4d. for best grade cheese.

The wholesale price of butter is unchanged at 158s.8d. a cwt.

METALS. In the open market in London the price of tin fluctuated in the vicinity of £stg.270 a ton during the past week and on April 22 was £stg.271.5s. a ton. This is above the average of any of the past nine months. Silver was steady at the recent higher level of 1s.11 $\frac{1}{2}$ d.(stg.) an ounce. The official maximum prices for other metals in London remained at:-

	Lead.	Spelter.	Copper (Electrolytic)
Per ton, duty paid delivered to buyer	£25.0.0.	£25.15.0	£62.0.0.

By order made on April 9 the Commonwealth Prices Commissioner increased the price of tin ingots from £A306 to £A320 a ton as from April 10, 1941. It is stated that the whole of the increase will be passed on to producers of tin ore who will, as a result, be receiving the highest price since 1920.

PART II FINANCE AND TRADE.

BANKING. The Australian banking system is very liquid. The increase in deposits due to credit expansion has continued, with the enlarged inflow of income from exports during the war period as a factor. Advances have decreased. The banks have added to their holdings of Government securities and Treasury bills. While the ratio of cash to deposits is not as high as it was a year ago it remains relatively high. Figures for the nine principal trading banks in Australia reveal the following relationships:-

	Sept., 1939.	Feb., 1940.	Feb., 1941.
Ratio of advances to deposits	94%	79%	75.5%
Ratio of cash and Treasury bills to deposits	15.9%	25.8%	21.2%

In private trading banks in New South Wales private deposits increased between Dec.Qr. and Mar.Qr., 1940-41 by £4.3 m. to the record level of £138m. and private advances were reduced by £4.3 m. to £111.2 m. Between March Qrs., 1940 and 1941 there was the large increase in deposits of £11.7 m. Of this only £0.6 m. was in fixed deposits and this may be due in part to the lower rate of interest on such deposits (see page 6). Over the period advances were reduced by £5.7 m.

NEW SOUTH WALES. PRIVATE DEPOSITS AND ADVANCES. PRIVATE TRADING BANKS.

MOVEMENTS from December and March Quarters of Preceding Year.

December Qr. to March Qr.						From Preceding March Qr.					
Deposits.			Advances.			Deposits.			Advances.		
Fixed.	Current.	Total.	£m.	£m.	£m.	Fixed.	Current.	Total.	£m.	£m.	£m.
1937-38	+ 0.5	+ 0.9	+ 1.4	+ 2.7	1937-38	+ 3.5	+ 2.2	+ 5.7	+ 10.1		
1938-39	+ 0.6	+ 2.1	+ 2.7	- 1.8	1938-39	+ 2.0	- 0.1	+ 1.9	+ 5.0		
1939-40	+ 0.8	+ 4.8	+ 5.6	- 5.9	1939-40	+ 1.3	+ 9.0	+ 10.3	- 2.7		
1940-41	+ 0.5	+ 3.8	+ 4.3	- 4.3	1940-41	+ 0.6	+ 11.1	+ 11.7	- 5.7		

+ Denotes increase. - Denotes decrease.

Current accounts are likely to be drawn upon for subscriptions to the £35 m. war and works loan to open on April 30 but loan and revenue war and ordinary expenditure in Australia will result in a return flow of money into depositors' accounts.

Particulars of private deposits and private advances in New South Wales show that between March Qr., 1939 and 1941 an excess of advances over deposits £3.5 m. was transformed into a surplus of deposits of £26.8 m. Comparative details are appended.

PRIVATE TRADING BANKS IN NEW SOUTH WALES. (a)
(Aggregate Quarterly Averages).

Quarter ended -	Deposits.			Advances.	Excess of Deposits over Advances.
	Fixed.	Current.	Total.		
March, 1929	£m.	£m.	£m.	£m.	£m.
" 1931	62.1	49.3	111.3	98.4	12.9
" 1939	65.4	36.7	102.1	101.1	1.0
December, 1939	64.5	51.5	116.0	119.5	(-) 3.5
March, 1940	65.0	55.6	120.6	122.7	(-) 2.1
December, 1940	65.9	60.4	126.3	116.9	9.4
March, 1941	66.0	67.7	133.6	115.4	18.2
	66.5	71.5	138.0	111.2	26.8

(a) Excluding Commonwealth and Rural Banks and excluding Government deposits and securities in private trading banks.

(-) Denotes excess of advances over deposits.

PART II (Continued)

WHOLESALE TRADE. The recorded value of sales at wholesale in New South Wales in January and the five months ended Jan., 1941 was appreciably greater than in 1938-39 but not quite as great this year as in 1939-40, when there was considerable buying for purposes of stocking up following the outbreak of war. Some forms of civilian trading have decreased during the war period and military requirements have expanded. It would appear, after allowance for the war-time rise in prices, that the aggregate volume of wholesale turnover is probably much the same as before the war. The relative stability (seasonal movements apart) of the number of persons employed by wholesalers with ten or more employees seems to confirm this impression, but the volume of wholesale trade is not closely dependent on number of employees engaged in wholesaling. It is known, however that import restrictions and requirements of the defence services already have caused curtailment of some lines in civilian trade. It is expected that requirements for war purposes will necessitate further contraction of civilian consumption.

Comparative particulars illustrating the course of wholesale trade are as follow:-

WHOLESALE TRADE - NEW SOUTH WALES.

	Sales by Registered Traders.			Employed in Wholesale Firms with Ten or More Employees.					
	January	Five Months ended January.	Increase over Sept.-Jan. of Preceding year.	Jan.	Feb.	Mar.			
				£million	£million	Per cent.	Persons	Persons	Persons
1932-33	9.52	54.56	1.77				(June, 1933 -	17,638)	
1937-38	14.21	81.48	10.37	24,523	24,857	24,279			
1938-39	13.24	80.28	(-) 1.20	25,381	25,555	25,682			
1939-40	16.33	90.86	10.58	25,614	25,674	25,963			
1940-41	15.83	86.97	(-) 4.28	25,649	26,003	26,382			

Minus sign (-) denotes decrease.

RETAIL TRADE. Business in shops appears to have been steadily maintained. More purchasing power is in the hands of consumers, but some of this has gone into savings and there is no evidence of other than normal buying. In March, 1941 the average weekly earnings per person employed by private firms with ten or more employees were £4.14s. compared with £4.8s. in March, 1940, £4.7s. in March, 1939 and £3.16s. in March, 1935.

In the years ended March the number of persons employed in retail establishments with ten or more employees increased by 590 in 1938-39, 745 in 1939-40 and 449 in 1940-41. In recent months the number employed has varied a little above or a little below that of a year earlier.

In these larger shops employment has increased in the city of Sydney and the Newcastle districts, remained practically unchanged in the suburbs of Sydney and decreased a little in country towns. Particulars in March for four years compare as under:-

	Sydney.			Newcastle District.	Country Towns.	Total N.S.W.
	City.	Suburbs.				

Persons employed by retailers with ten or more employees.

March, 1938	35,492	4,100	2,432	8,703	50,727
" 1939	36,165	4,060	2,445	8,647	51,317
" 1940	37,051	4,012	2,510	8,489	52,062
" 1941	37,493	4,060	2,581	8,377	52,511

CITY SHOPS. In a group of large shops in Sydney the value of sales in February, 1941 was 6.2 per cent. greater than in February, 1940, with increases under each main classification other than piece goods. These increases included 13.8 per cent. in women's wear, 8.6 per cent. in men's and boys' wear and 9.0 per cent. in fancy goods. Stocks (at cost) were 5.8 per cent. greater in value than in February, 1940.

PART II (Continued)

the outstanding increase being in piece goods (26.2%). Fancy drapery, boots and shoes, hardware, fancy goods, sports and travel goods, books and stationery and miscellaneous items were in shorter supply.

In these shops the increases compared with a year earlier in the value of sales in successive three monthly periods were:-

Three months ended:-

	(1940-41)	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
Increase - per cent.		7.5	5.5	5.9	7.8	9.8	7.7

Related to current prices the value of sales suggests very little change in the volume of trade. The course of business in these shops during the war period is illustrated by the following comparisons:-

BUSINESS IN A GROUP OF LARGE CITY SHOPS.

6 Months ended -	Total Sales.	Total Stock.	Wages and Salaries Paid.	Average No. of Employees.
Change (%) compared with corresponding period of previous year.				
February, 1940	+ 7.1	+ 6.5	+ 2.8	+ 1.0
August, 1940	+ 5.9	+ 4.0	+ 2.4	+ 1.8
February, 1941	+ 6.9	+ 11.6	+ 4.8	+ 2.3

SAVINGS BANKS. In savings banks in New South Wales deposits exceeded withdrawals in March, 1941 by £602,000. Only in two of the preceding eight years was there an increase in March. The large increase continues the strong trend of the past nine months. In that period not only was the increase in savings bank balances (£4,626,000) of record proportions, but in addition net purchases of war savings certificates amounted to approximately £3,380,000. This unprecedented saving was made possible by greater employment, increased wage-earnings and patriotic endeavour. It has provided finance for the war and simultaneously diverted money from civilian spending, thus assisting to hold inflationary tendencies in check. The high rate of saving through these channels appears to be maintained:-

1940-41.	Sept.Qtr.	Dec.Qtr.	Jan.	Feb.	Mar.	Total, 9 Mths.
Increase in £000.						
Savings Bank Deposits	1716	1057	688	563	602	4,626
War Savings Certificates x	1926	729	176	250	300	3,381
Total	3642	1786	864	813	902	8,007

£ Approximate. x Purchases less repayments.

Interest rates on savings bank deposits have not been varied since January, 1935 and are, on personal deposits, 2 per cent. up to £500 and $1\frac{3}{4}$ per cent. on deposits exceeding £500 up to £1,300. This compares with $1\frac{1}{2}$ per cent. paid on three months' deposits in trading banks.

Movements in savings bank deposits and in relevant rates of interest were:-

PART II (Continued)

SAVINGS BANKS IN NEW SOUTH WALES.

Year	Depositors' Balances:		Increase in Deposits:		Interest Rates:	
	At 28th February	At 31st March	In March	In year ended March.	On Deposits in Savings Banks.	On Fixed Deposits in Trading Banks.
	£000	£000	£000	£000	Per cent.	Per cent.
1937	79,838	79,770	- 68	654	1 $\frac{3}{4}$ to 2	2 to 3
1938	83,698	83,989	291	4,219	1 $\frac{3}{4}$ to 2	2 to 3
1939	86,591	86,269	- 322	2,280	1 $\frac{3}{4}$ to 2	2 to 3
1940	87,167	86,759	- 408	490	1 $\frac{3}{4}$ to 2	1 $\frac{3}{4}$ to 2 $\frac{3}{4}$
1941	86,135	86,737	602	- 22	1 $\frac{3}{4}$ to 2	1 $\frac{1}{2}$ to 2 $\frac{1}{2}$

Minus sign (-) denotes decrease.

PART III INDUSTRIES.

EMPLOYMENT. In the middle week of March, 1941 there were 903,835 persons in employment in New South Wales. Only 3,500 below the seasonal peak of December last, this was otherwise a record in employment. With an increase of 7,990 in Feb.-Mar., 1941 the total increase during the war period became 73,029, including 38,144 added in the last twelve months. Comparative particulars of the total of persons in employment (excluding relief workers) are as follow:-

	<u>Aug.</u>	<u>Sept.</u>	<u>Oct.</u>	<u>Nov.</u>	<u>Dec.</u>	<u>Jan.</u>	<u>Feb.</u>	<u>Mar.</u>	<u>Increase - Aug.-Mar.</u>
Number of persons employed - Thousands.									
1938-39	834.6	840.5	837.4	841.4	859.7	820.4	833.6	834.1	- 0.5
1939-40(a)	831.8	838.4	850.0	856.9	875.5	851.4	859.4	865.7	33.9
1940-41(b)	<u>872.0</u>	<u>875.7</u>	<u>882.2</u>	<u>885.8</u>	<u>907.3</u>	<u>885.5</u>	<u>895.8</u>	<u>903.8</u>	<u>31.8</u>
Increase (a) to (b)	<u>40.2</u>	<u>37.3</u>	<u>32.2</u>	<u>28.9</u>	<u>31.8</u>	<u>34.1</u>	<u>36.4</u>	<u>38.1</u>	

The increase has been mainly in private employment and particularly marked in factories (see succeeding note). A good deal of the increase in public employment is in Government factories engaged in production of war goods. In the last twelve months there was a decrease of 907 in local government employees (6,518 since March, 1936) and an increase of 9,300 in State, Commonwealth, Water Board, etc. employees.

INCREASE IN PERSONS IN EMPLOYMENT IN NEW SOUTH WALES.

	In Twelve Months ended March.				In Seven Months ended March.			
	Private Employ.	Public Employ.	All Employment.	In all Factories	Private Employ.	Public Employ.	All Employment	In all Factories
	Increase in number of persons employed - thousands.							
1938	41.44	10.37	51.81	15.30	24.48	1.91	26.38	8.30
1939	- 2.15	1.14	- 1.00	1.40	- 1.80	1.36	- 0.44	1.70
1940	29.19	2.37	31.56	13.40	31.98	1.90	33.88	15.30
1941	29.75	8.39	38.14	25.20	27.35	4.46	31.81	22.30

Means of ensuring an adequate supply of labour for war industries is now the major labour problem. The number of adult males registered as unemployed at State Labour Exchanges has fallen from 49,851 in March, 1939 and 45,681 in March, 1940 to 22,866 in March, 1941. The increase in the number of persons in employment, coupled with the large number of enlistments in the Armed Forces, indicates that many people of the hitherto non-wage-earning class have entered or returned to industry. Technical training facilities have been increased and it is apparent that transfer of workers from non-essential industries will be necessary before the maximum war effort can be achieved.

Except for the large increase (7,000) in factory employees, changes in employment from February to March, 1941 were mainly seasonal (in retail and wholesale trade, amusements and road transport and shipping). Nearly the whole increase in private employment from March 1940 to March 1941 was in factories and mostly in factories engaged in war work. Details illustrating the course of employment in recent years are supplied below. Relevant percentage comparisons given in the final columns emphasise the major part of industrial development (accelerated by the war effort) in the growth of employment during the war period.

PART III (Continued)

EMPLOYMENT IN NEW SOUTH WALES.

(Excluding relief workers and men in the Armed Forces not on civil paysheets.)

Group.	Persons employed in middle week of -						Increase - Mar., 1941 over -	
	March, 1937.	March, 1939.	Aug., 1939.	Mar., 1940.	Feb., 1941.	Mar., 1941.	Aug., 1939.	Mar., 1940.
All Employment	000	000	000	000	000	000	Per cent.	
Private "	783.3	834.1	831.8	865.7	895.8	903.8	8.7	4.4
All Factories (a)	643.8	683.1	680.3	712.3	735.7	742.0	9.1	4.2
In Firms with Ten or more Employees:	212.9	230.6	228.7	244.0	262.2	269.2	17.7	10.3
Mines	18.5	21.3	21.7	21.0	20.9	21.0	(-)3.2	0.0
Retail Trade	48.9	51.3	51.3	52.1	53.5	52.5	2.3	0.8
Wholesale Trade	24.1	25.7	25.4	26.0	26.0	26.4	3.9	1.5
Offices & Commerce	25.1	27.6	27.1	29.3	29.8	29.5	8.9	0.7
Ship'g. & Rd. Transp't.	20.1	21.0	20.7	22.2	21.0	20.7	0.0	(-)6.8
Personal Services (b)	24.8	29.2	30.1	30.9	30.9	31.3	4.0	1.3
Other Industries.	19.1	19.2	18.5	18.3	18.1	18.4	(-)0.5	0.5

(a) Including working proprietors. (b) Includes hospitals, professions, amusements, hotels, etc.

MANUFACTURING INDUSTRIES. With an increase of 7,000 in the preceding month the number of persons employed in factories in New South Wales in the middle week of March, 1941 (269,200) rose 6,900 above the previous record at the seasonal peak in December, 1940. The number represents an increase of 40,500 since August, 1939. The index of factory employment in August, 1939 was 26 per cent. above the average in 1928-29 and in March, 1941 was 49 per cent. above that average. In successive months since September, 1940 increases in factory employment were 2,400; 3,400; 3,000; 6,400 (Dec.); decrease 4,100 (Jan.); 4,000 and 7,000. These figures and those shown in the appended table indicate acceleration of the rate of increase, reflecting, no doubt, the coming into production of new establishments and mobilisation of private industrial resources for production of war goods.

PERSONS EMPLOYED IN ALL FACTORIES IN NEW SOUTH WALES.

	Number employed in middle week of -							Increase in last -		
	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Month	6 Mths.	12 Mths.
	000	000	000	000	000	000	000	000	000	000
1938-39	229.7	230.4	230.6	230.0	223.0	227.9	230.6	2.7	0.9	1.4
1939-40(a)	230.7	236.7	240.4	242.2	238.5	240.7	244.0	3.3	13.3	13.4
1940-41(b)	250.3	253.7	256.7	262.3	258.2	262.2	269.2	7.0	18.9	25.2
Increase (a) to (b)	19.6	17.0	16.3	20.1	19.7	21.5	25.2			

Naturally, the greater part of the increase is in the industrial metals group but local and oversea defence requirements have made demands upon the chemical, textile and clothing and food and drink industries. Large orders have been accepted for clothing and footwear for the Indian defence services. In factories with ten or more employees about 60 per cent. of the increase of 34,979 in employment during the war period was in the metals industries group and chemicals, etc., textiles and clothing and food and drink factories accounted for a further 32 per cent. No major industrial disturbances affected activity in March, 1941 but a stoppage by gas workers in Sydney may interrupt war industries if protracted. The appended table relating to employment in factories with ten or more employees illustrates developments in manufacturing under war-time conditions:-

PART.III (Continued)

EMPLOYMENT IN FACTORIES WITH TEN OR MORE EMPLOYEES - N.S.W.

Middle week of -	Cement, Bricks, Glass &c.	Chemical- s, etc.	Indus- trial Metals.	Textiles and Clothing.	Food and Drink.	Wood- work- ing, etc.	Paper & Print- ing.	Rubber.
Number of persons employed - Thousands.								
March, 1935	7.42	5.24	40.03	31.18	23.29	7.93	11.74	2.70
August, 1939	11.51	7.24	61.78	36.96	27.96	9.89	14.81	3.68
March, 1940	11.99	8.55	66.30	39.61	31.05	9.95	15.15	4.13
Feb., 1941	12.74	8.76	79.59	40.99	30.97	10.18	14.29	4.10
March, 1941	12.92	9.06	82.73	41.41	32.89	10.39	14.48	4.30
Increase, Aug., 1939 to Mar. 1941 %	12.3	25.1	33.9	12.0	17.6	5.1	(-) 2.2	16.9

In forty two large factories products sold in February, 1941 amounted to £4.07 m. compared with £3.47 m. in Feb., 1940 and £3.07 m. in Feb., 1939. Some of these factories are directly engaged in, and others are supplying raw materials for war production. In these factories employment was 11.7 per cent. greater than in Feb., 1940. The amount of salaries and wages paid was 20 per cent. greater, reflecting higher wages rates and overtime working in addition to the greater number of recipients.

Permits granted for new factory premises in recent months have been at a very high level (see page 11). It has been announced that the keel of the first 10,000 ton cargo vessel will be laid in a few weeks. New lines of armament and extension of existing types of production are planned. Indications are that the rapid expansion of secondary industries will continue.

MANUFACTURING INDUSTRIES - NEW SOUTH WALES.

ALL FACTORIES.(a)		FORTY-TWO LARGE FACTORIES.					
Employment.		February.			January & February (monthly averages)		
March.		Sales.	Employ- ees.	Wages Paid Weekly.	Sales.	Employ- ees.	Wages Paid Weekly.
Number.	Index Number.	£000	000	£000	£000	000	£000
	1928-29 = 100						
1937	180,756	100					
	214,400	119	2,853	22.1	83.9	2,734	21.6
1938	229,200	127	3,153	23.2	93.9	2,960	23.2
1939	230,600	128	3,070	23.2	96.4	2,904	23.2
1940	244,000	135	3,468	23.9	101.5	3,340	23.7
1941	269,200	149	4,074	26.7	121.8	3,769	26.2

(a) Including working proprietors.

GAS AND ELECTRICITY. The amount of gas and electricity consumed in Sydney and Suburbs has increased in each year since 1932 and was 10 per cent. greater in March, 1941 than in March, 1939 or 1940. The index number for March, 1941 - 143 - compares with 102 in 1928-29. Part of this increase is due to normal growth, but the record level of industrial activity, with many factories working two and three shifts, is the major factor in the recent increase in consumption. Although gas workers ceased work on April 7, 1941 gas supplies have been maintained by salaried staff, but if the stoppage continues it may cause a failure of supply and hamper operations in war industries.

Considerable reserve stocks of coal have been accumulated by both gas and electricity undertakings.

PART III (Continued)

INDEX OF CONSUMPTION OF GAS AND ELECTRICITY - SYDNEY.

	<u>1929.</u>	<u>1932.</u>	<u>1937.</u>	<u>1939.</u>	<u>1940.</u>	<u>1941.</u>
	Index numbers: Average 1929-31 = 100.					
March	102	95	115	130	130	143
Calendar Year	105	96	119	131	135	-

BUILDING PERMITS - METROPOLIS.

Building is less active than before the war but still considerable. Government contracts partly offset decreased private building. Permits for factory premises, brick houses and flats are maintained at a high level, but for wood and fibro houses, shops, hotels, etc., and "other" buildings have decreased. Very little new building is being undertaken in the City.

Dwellings proposed in March Qr. were 2,175 in 1941 compared with 2,547 in 1938, 2,307 in 1939 and 1,775 in 1940.

As from April 23, 1941 the maximum amount permitted to be expended on any building without approval under the National Security (Building Control) Regulations was reduced from £5,000 to £3,000.

Permits for private buildings of a value of £857,000 were granted in Sydney and Suburbs in March, 1941. This was less than in March 1938, 1939 or 1940. The total for March Qr., 1941, slightly above that of March Qr., 1940, was otherwise the lowest of any quarter for four years, and nearly 25 per cent. less than in March Qr., 1938. Direct comparisons are affected by advancement of building proposals in Dec. Qr., 1940 in reaction to the institution of official control of building. However, in the six months ended March permits amounted to £5.93 m. this year, compared with £6.35 m. in 1937-38, £6.05 m. in 1938-39 and £4.93 m. in 1939-40. A clear trend is not apparent; building is still active, but is appreciably reduced in comparison with 1937-38 or 1938-39.

	<u>Mar.Qr.</u>	<u>June Qr.</u>	<u>Sept.Qr.</u>	<u>Dec. Qr.</u>	<u>Year ended Mar.</u>
	Value of Permits granted - £000.				
1938	3,106	3,689	4,053	3,194	12,416
1939	2,856	3,230	3,531	2,603	13,791
1940	2,324	2,979	2,844	3,570	11,688
1941	2,357	-	-	-	11,750

In the following table the values of private building permits and contracts for public building in the metropolis are brought together. For public buildings the amount in Mar. Qr. 1941 was greatest of any quarter of the war period. Discounting the incidental high aggregate in Dec. Qr., 1940 the combined totals suggest some falling off in building activity:-

	<u>1939.</u>	<u>1940.</u>	<u>1941.</u>			
	<u>Sept.Qr.</u>	<u>Mar.Qr.</u>	<u>June Qr.</u>	<u>Sept. Qr.</u>	<u>Dec.Qr.</u>	<u>Mar. Qr.</u>
Private Permits £000	3,531	2,324	2,979	2,844	3,571	2,357
Public Contracts £000	487	73	245	318	258	824
Total £000	4,018	2,397	3,224	3,162	3,829	3,181

Proposals for buildings in the city continue to decline and in March Qr., 1941 were below the value in any quarter for seven years. Building enterprise has been fairly well maintained in the suburbs; permits in Mar. Qr., 1941 were about 10 per cent. below the value in the first quarter of 1939. Other comparisons are:-

PART III (Continued)

	City Permits (£000)						Suburban Permits (£000)					
	1936.	1937.	1938.	1939.	1940.	1941.	1936.	1937.	1938.	1939.	1940.	1941.
March	80	63	377	200	69	57	541	657	926	793	801	800
March Qr.	828	199	667	427	225	156	1627	1751	2439	2429	2099	2201

Permits in March, 1941 included large amounts for brick houses, flats and factories. March Qr. returns exhibit the general tendencies of recent months - active building of brick houses; a decline in wooden and/or fibro houses and shops; considerable flat building, and maintenance of factory construction at a very high level. The last-mentioned has special significance as an aspect of the development of war industries. The value of permits for factory buildings compares as under:-

Permits to Build, Extend or Alter Factories - Metropolis.

	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Sept.-Mar.
1938-39 £000	74	46	111	68	210	90	47	646
1939-40 £000	98	105	76	65	50	66	102	562
1940-41 £000	85	78	218	156	40	70	93	740

Details of permits in March, 1941 compare with those of March 1939 and 1940 and monthly averages in the years 1938 to 1940 as follow:-

	Houses.		Flats. (a)	Hotels, &c.	Shops. (b)	Factor- ies. (c)	Other Build- ings.	Total
	Brick &c.	Wood & Fibro.						
1938 ♂	408	76	283	70	48	82	203	1170
1939 ♂	373	76	232	44	43	111	139	1018
1940 ♂	391	74	224	51	31	98	107	976
Mar., 1939	387	79	213	69	63	47	135	993
" 1940	360	62	157	125	29	102	35	870
" 1941	465	50	199	1	15	93	34	857

♂ Monthly averages. Includes (a) conversion to flats (b) shops with dwellings and (c) public garages.

In the following table particulars of value of building permits in March quarter of each of the past five years are given. In the final column percentage comparisons between March Qrs., 1939 and 1941 are given. Beside the general tendencies noted above there has been a very marked decrease for "other" buildings and this may be related to the falling off in the building of large city offices, etc. On hotels, etc. expenditure reached a very high level in 1939 and 1940 but little building of this kind has been proposed this year.

PRIVATE BUILDING PERMITS GRANTED - SYDNEY AND SUBURBS.
Including Alterations and Additions. Government buildings are excluded.

Type of Building.	March Quarter.					Increase 1939 to 1941. per cent.
	1937.	1938.	1939.	1940.	1941.	
	£000	£000	£000	£000	£000	
Houses - Brick	752	1,108	1,087	1,061	1,266	16.5
- Wood, Fibro &c.	105	180	223	147	142	(-) 36.3
Hotels, Guest Houses &c.	42	60	161	185	16	(-) 90.1
New Flats	343	696	557	384	526	(-) 6.6
Conversions to Flats	29	30	12	11	9	(-) 25.0
Shops with Dwellings	48	35	42	51	37	(-) 11.9
Shops only	41	49	92	48	25	(-) 72.8
Factories	288	223	324	210	204	(-) 37.0
Public Garages	39	41	23	8	2	(-) 91.3
Other Buildings (a)	263	684	335	219	130	(-) 61.2
Total	1,950	3,106	2,856	2,324	2,357	(-) 17.5

(a) Offices, churches, private schools, hospitals, outhouses, private garages, etc.

PART III (Continued)

DWELLINGS. In March, 1941 there were 846 net additional dwellings of all kinds proposed compared with 1,017 in Mar., 1938; 857 in Mar., 1939 and 635 in Mar., 1940. The number of brick houses, and of flat dwellings included in permits increased again in 1940-41 after decreasing in the first war year, but the building of wooden and/or fibro houses has decreased significantly:-

	<u>Brick Houses.</u>			<u>Wood & Fibro Houses.</u>			<u>Flats (New & Conv'td.)</u>		
	<u>'38-'39.</u>	<u>'39-'40.</u>	<u>'40-'41.</u>	<u>'38-'39.</u>	<u>'39-'40.</u>	<u>'40-'41.</u>	<u>'38-'39.</u>	<u>'39-'40.</u>	<u>'40-'41.</u>
	Dwellings.				Dwellings.			Dwellings.	
Sept.Qtr.	1,302	1,182	1,200	506	454	319	1,828	1,247	787
Dec.Qtr.	985	881	1,020	214	329	251	963	682	1,628
Jan.	323	284	346	115	74	80	217	129	212
Feb.	358	371	336	153	88	67	305	220	294
Mar.	365	312	407	146	109	78	350	218	380
Nine Mths.	<u>3,333</u>	<u>3,030</u>	<u>3,309</u>	<u>1,134</u>	<u>1,054</u>	<u>795</u>	<u>3,663</u>	<u>2,496</u>	<u>3,301</u>

Particulars of dwellings proposed in March quarter of each of the last five years are given in the following statement which shows that this year the number of net additional dwellings proposed, though 400 greater than in 1940, did not reach the number in 1938 or 1939.

DWELLINGS INCLUDED IN PRIVATE BUILDING PERMITS - METROPOLIS.

Type of Dwelling	March Quarter.					Movement, 1939 to 1941.
	1937.	1938.	1939.	1940.	1941.	
Number of Dwelling units.						
Houses - Brick, etc.	738	1062	1046	967	1089	4.1
- Wood, Fibro, etc.	229	338	414	271	225	(-) 45.7
Total - Houses	967	1400	1460	1238	1314	(-) 10.0
Flats - In new buildings	570	1087	812	528	841	3.6
- In converted "	90	101	60	39	45	(-) 25.0
With Shops, Hotels, etc.	31	34	40	35	25	(-) 37.5
Total - Flats, etc.	691	1222	912	602	911	(-) 0.1
Grand Total	1658	2622	2372	1840	2225	(-) 6.2
Less Demolitions & Conversions	140	75	65	65	50	(-) 23.1
Net Additional Dwellings	1518	2547	2307	1775	2175	(-) 5.7

Trends in the provision of housing in Sydney and suburbs since 1929 are shown below. Dwellings proposed in the first three months of this year were at the rate of 8,700 a year compared with 11,853 in 1938 and 9,854 in 1929.

NUMBER OF DWELLINGS INCLUDED IN BUILDING PERMITS - METROPOLIS.

	Calendar Year.					March Qr.	
	1929.	Av.1930-34.	1938.	1939.	1940.	1940.	1941.
Individual Houses	7,095	1,205	6,342	5,847	5,706	1,238	1,314
In Flats, with Shops &c.	3,097	656	5,821	4,290	4,135	602	911
Net Total (after deducting demolitions, etc.)	9,854	1,839	11,853	9,822	9,558	1,775	2,175

